

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA San Diego, California

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For Immediate Release

NEWS RELEASE SUMMARY - September 19, 2005

United States Attorney Carol C. Lam and Eileen J. O'Connor, Assistant Attorney General for the Tax Division of the U.S. Department of Justice, announced that John E. Gehosky, sole-owner and operator of Pacific Beach Karate Studio located in La Jolla, California was sentenced today in U.S. District Court in San Diego by United States District Court Judge Marilyn L. Huff to serve four months in custody, four months of home confinement, and one year supervised release with electronic monitoring for his role in failing to report income from his karate studio business. In May 2005, Mr. Gehosky waived indictment and entered a guilty plea before U.S. Magistrate Judge Ruben B. Brooks.

According to the plea agreement, Mr. Gehosky is the sole-owner and operator of Pacific Beach Karate Studio located in La Jolla, California. Mr. Gehosky filed U.S. Individual Income Tax Returns for the years 1996 through 2000; however, he omitted a substantial amount of his gross receipts from his karate business.

Over a five-year period Mr. Gehosky omitted approximately \$141,535 in gross receipts from his business which resulted in a tax loss of \$43,234.

DEFENDANT

John E. Gehosky - La Jolla, California

SUMMARY OF CHARGES

Filing a False Income Tax Return, in violation of Title 26, U.S.C. § 7206(1)

Maximum penalty: Three years in prison and fine not to exceed \$250,000

AGENCIES

Internal Revenue Service - Criminal Investigation Division